



WASHINGTON STATE
GAMBLING COMMISSION

Field Operation Rule Interpretation

Question: May an operator use gift certificates to their establishment on a merchandise pull tab game? Yes. However, they will not be included in the calculation for purposes of the 60% payout requirement.

CITE: WAC 230-30-080 – Punchboard and pull-tab series restrictions – Prizes, size of game and location of winners

SUMMARY

Issue:

Licensees want to be able to issue gift certificates as prizes on pull tab games. The issue is how to calculate the 60% minimum payout requirement. The rule allows for licensees to offer merchandise prizes. When calculating the possible 60% payout requirement, the operator uses the amount actually paid by the operator plus 50%. But when issuing gift certificates to their own establishment, there is no way to know what the cost is to the licensee until the certificate is redeemed.

Reasoning:

WAC 230-30-080 says in part, "...total merchandise prizes shall be computed at the amount actually paid by the licensed operator plus fifty percent of that actual cost...". Since the actual cost of the certificates cannot be determined at the time the game is placed out for play, the value of the certificates cannot be used in the 60% payout calculation.

Although it may seem reasonable, there is no basis in the rule to allow the operator to use the face-value of the gift certificates in the 60% payout calculation.

Decision:

Gift certificates from a licensee's own establishment may be used as add-on prizes for a "happy hour" pull tab game as described in WAC 230-30-106(7). These gift certificates may also be used as merchandise prizes for pull tab games but will not be used in the 60% payout calculation.

Approved:

Cally Cass
Cally Cass, Assistant Director
Washington State Gambling Commission

Date:

7/22/05